



**GRUH
FINANCE
LIMITED**

We help you build homes

SEC: 2019:
January 25, 2019

The BSE Ltd.
Phiroze Jeejeebhoy Towers,
26th Floor, Dalal Street
Mumbai – 400 001

BSE Code No: 511288

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

Symbol : GRUH

Dear Sir,

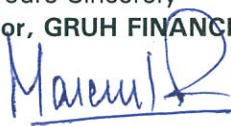
**Sub: Press Release of Unaudited Financial Results for the quarter / nine months ended
December 31, 2018**

We forward herewith a copy of the press release in respect of the Unaudited Financial Results of the Company for the quarter / nine months ended December 31, 2018.

This is for your kind information and record. Kindly arrange to inform all your constituents accordingly. Kindly acknowledge receipt.

Thanking you,

Yours Sincerely
For, GRUH FINANCE LIMITED


MARCUS LOBO
COMPANY SECRETARY

A subsidiary of HDFC Ltd

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006.

Tel. : (91) (79) 2642 1671-75, 2656 0649

CIN : L65923GJ1986PLC008809 - Website : www.gruh.com

GRUH FINANCE POSTS 16% GROWTH IN PROFIT AFTER TAX FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

The Board of Directors of GRUH Finance Ltd. (GRUH) – a subsidiary of HDFC Ltd. – has approved the accounts for the quarter ended December 31, 2018 at their meeting held in Mumbai on January 25, 2019.

FINANCIAL RESULTS

Profit after tax for the year amounted to **Rs. 317.23 crores** as compared to Rs. 274.12 crores for the previous year, **an increase of 16%**.

Highlights of Operational Performance

(Rs. in crore)

Particulars	Dec 31, 2018	Dec 31, 2017	Growth (%)
Net Interest Margin	499.88	479.29	4
Non-Interest Expenses	88.27	77.40	14
Profit After Tax	317.23	274.12	16
Loan Assets	16,851.86	14,774.66	14

Yield on Loans	11.31	11.39
Cost of Borrowings	8.23	7.71
Spread	3.08	3.68

Cost to Income Ratio	16.17	14.84
Credit Costs to Loan Assets	0.28	0.28
Net Interest Margin to ATA	3.94	4.47
Return On Assets	2.50	2.55
Return On Equity	25.42	28.80
Non-Interest Exp. to ATA	0.70	0.72
Loan to Assets	83	98

* ATA – Average Total Assets

Loan Portfolio

The loan portfolio as at December 31, 2018 amounted to **Rs. 16,852 crores** as against Rs. 14,775 crores in the previous year – **an increase of 14%**.

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LENDING OPERATIONS

Loan Disbursements

Loan disbursements during the year were **Rs. 3,603 crores** as against Rs. 3,748 crores in the previous year.

Looking to the liquidity position in the market, GRUH consciously adopted a conservative approach to disbursements and carried excess liquidity. Such approach resulted in a negative carry, adversely affecting the Net Interest Margin. However the spread on the loans continue to be sustained at 300 + bps.

Cumulative loan disbursements as of December 31, 2018 were **Rs. 32,059 crores**.

Provisions for Expected Credit Losses

As per requirement of Ind AS 109 on "Financial Instruments", provision for credit losses are to be carried in the Balance Sheet based on expected credit losses. Accordingly, as per Ind AS 109, GRUH is required to carry provisions of Rs. 46.81 crores towards expected future credit losses which is 0.28% on Loan Assets of Rs. 16,852 crores. Against that, GRUH is actually carrying a provision of Rs. 129.03 crores as on December 31, 2018.

As per the NHB guidelines, GRUH is required to carry a provision of Rs. 67.08 crores on Standard Assets and Rs. 32.53 crores on NPAs. Thus the provisions carried by GRUH are in excess of the provision required as per the NHB guidelines also to the extent of Rs. 29.42 crores.

As per NHB guidelines, Gross Non Performing Assets (NPA) at Rs.146.46 crore constitute 0.87% of the total loan portfolio as on December 31, 2018 as against 0.73% in the previous year. The Net NPA as per NHB guidelines are 0.50%.



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Liquidity Position

As on December 31, 2018, GRUH carried an aggregate of Rs. 2,896 crores by way of unencumbered liquid deposits and investments in Liquid Mutual Funds besides unavailed term loan sanctions from Banks to the tune of Rs. 750 crores.

MERGER

The Board of Directors of GRUH Finance Limited has approved the merger of GRUH into Bandhan Bank. The merger would be subject to regulatory and shareholder approvals. The share exchange ratio accepted by the boards of Bandhan Bank and GRUH is 568 equity shares of face value of ₹ 10 each of Bandhan Bank to be issued for every 1,000 equity shares of face value of ₹ 2 each of GRUH.

DEPOSITS

GRUH's deposit portfolio is **Rs. 1,621 crores**, has grown from Rs. 1,401 crores last year. GRUH's Fixed Deposit programme has been rated **"FAAA"** by CRISIL and **"MAAA@"** by ICRA. The rating of **"FAAA"** and **"MAAA@"** indicates 'Highest Safety' as regards repayment of interest and principal. GRUH's Commercial Paper (CP) is rated at **"A1(+)"** by CRISIL and ICRA and Non-Convertible Debenture (NCD) is rated at **"AAA@"** by ICRA and **"AAA"** by CRISIL.

RETAIL NETWORK

GRUH has a network of 195 retail offices across 11 states of the country. GRUH has 48 offices in Gujarat, 51 offices in Maharashtra, 17 offices in Karnataka, 33 offices in Madhya Pradesh, 13 offices in Rajasthan, 12 offices in Chhattisgarh, 12 offices in Tamil Nadu, 5 in Uttar Pradesh, one office each in Bihar and Jharkhand and 2 in West Bengal.

January 25, 2019

